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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries — Shipping on its third session

held at the Palais des Nations, Geneva,
from 6 to 9 June 1995

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INTRODUCTION

1. The Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries - Shipping, established in accordance with paragraphs 70 and 72 of the Cartagena Commitment, held its third session at the Palais des Nations, Geneva, from 6 to 9 June 1995. In the course of the session, the Standing Committee held six plenary meetings.*

Introductory statements

2. The **Deputy to the Secretary-General of UNCTAD** noted the importance of the Standing Committee's third session at a time when stock was being taken of the implementation of the recommendations agreed at Cartagena and preparations were being made for UNCTAD IX. He stressed the importance of international maritime transport services in enabling the developing countries, particularly the least developed ones, to participate more effectively in the globalization and liberalization processes, emphasizing also that transport efficiency was a prerequisite for trade efficiency.

3. Some coordination and harmonization of policy reform programmes for maritime transport services was called for to avoid a proliferation of policies which could hamper rather than promote development. To assist suppliers of shipping services from developing countries and countries in transition, mechanisms should be developed to manage the process of liberalizing trade in shipping services. A gradual and phased policy of liberalization would enable those countries with national fleets to develop competitive services and thus benefit from trade in shipping services.

4. Multimodal transport operations offered significant benefits to international trade, even though mega carriers could threaten national transport industries. However, the lack of a harmonized international legal environment and of national multimodal transport regulations often impeded the development of this form of transport. Modern commercial and technical practices used in multimodal transport could allow transport operators from developing countries and countries in transition to improve rapidly the quality and price of services offered and at the same time make greater use of rail, inland waterways and short-sea shipping.

5. With the globalization of manufacturing, ports were now playing a key role in the production and distribution process. Inefficient ports and port services could render exporters' goods less competitive in the international market place, and Governments and port authorities thus needed to adopt policies that would contribute to efficient management and sustainable development of ports and related port services.

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* For the terms of reference of the Standing Committee, see Trade and Development Board decision 398 (XXXVIII), annex B.

6. In the field of maritime legislation, work had been carried out with the various sectors of the shipping and insurance industries to reform and simplify certain rules and practices. Presently work was ongoing, via the Joint UNCTAD/IMO Intergovernmental Group of Experts, to review the 1952 International Convention on the Arrest of Sea-going Ships.

7. Technical cooperation had allowed UNCTAD to implement the results of its research work for the benefit of developing countries. In particular he thanked the Governments of Belgium, France and Germany and the European Commission for the support they had given to the Advance Cargo Information System project for logistics management. Emphasis continued to be placed on human resource development to allow developing countries to become self-sufficient. With this objective in view, the TRAINMAR programme was playing a leading role in the development of training capability in developing countries, and he thanked those donors who had made this work possible.

8. The **Officer-in-charge of the Services Development Division** recalled the discussions which had taken place at the second session of the Standing Committee and noted that it had been the general view that, because of its importance, shipping policy reform should be further discussed at the Committee's third session. To assist the deliberations, the secretariat had prepared two background documents, namely "Progressive liberalization and the development of shipping services in developing countries" (UNCTAD/SDD/SHIP/5) and "Maritime policy reform in the NIS of the former Soviet Union" (UNCTAD/SDD/SHIP/4). In the view of the secretariat, any specific recommendations in the field of shipping should centre around the formulation and implementation of policy reform programmes. The secretariat did not consider it necessary to have a general discussion on the merits or otherwise of the concept of liberalization, although it was useful to have discussions on specific issues such as the management of the liberalization process and the definition of the future role which UNCTAD in general and the Committee in particular could play in the process of liberalization.

9. Liberalization and globalization would be the underlying themes of UNCTAD IX. In his opinion globalization could only take place if there was an effective transport system to support it. The secretariat strongly believed that the formulation of national and international measures to promote growth and sustainable development required the support of maritime transport.

10. Human resources development had been given prominence in the work of the secretariat, since for developing countries to achieve economic development, it was indispensable to enhance the skills and knowledge of the workforce. To this end, the Division had established various programmes, the most prominent of which was TRAINMAR, which had been in existence for more than a decade and from which many employees in the maritime industry in developing countries had benefited.

11. The Division had been working on the medium-term budget for the biennium 1996-1997. This had required anticipating the results of the current session of the Committee and of UNCTAD IX. He assured the Committee that the secretariat would be prepared to fulfil the work programme established for it within the resources allocated to it.

12. Referring to suggestions made at the Committee's second session concerning transparency, he pointed out that the secretariat had produced a review of the Division's activities (TD/B/CN.4/Misc.10), and he hoped that the Committee would examine the contents of the document and make suggestions as appropriate. He informed the Committee on the collaboration with the International Maritime Organization, and in this connection he said that, as a result of the adoption by the United Nations Conference on Environment and Development of Agenda 21 and its Chapter 17 dealing with ocean affairs, the Secretary-General of the United Nations was required to report on the implementation of that particular aspect of the Programme to the General Assembly in 1997. To assist the Secretary-General in that respect, UNCTAD was expected by the other agencies to assist in the development of ideas and possibly mechanisms through which some of the costs of environmental actions could be recovered for the providers of certain specific services. One of the practical issues that UNCTAD and IMO were dealing with jointly was the development of a system by which costs for providing reception facilities for oily waters to tankers in their loading ports could be recovered. He believed that a progress report on this issue would be discussed in the forthcoming IMO Council. There were other issues under discussion in the area of coastal management, which was linked to the Barbados Plan of Action and for which UNCTAD had responsibility.

Chapter I

GENERAL DEBATE

13. The representative of the **Czech Republic** informed the Committee about the situation of the transport sector in his country, the location of which meant that it had an important role to play in the trade of Europe. The transport reforms that were taking place in his country went hand in hand with the economic reforms being undertaken since 1990; the Czech Parliament had already enacted new legislation on road traffic, railways and inland navigation, and new legislation on civil aviation and ocean navigation was being prepared. The Czech transport infrastructure was important for the integration of European transport networks. He also informed the Committee about the programme for the construction of a network of motorways, railways and airports.

14. Referring to multimodal transport, he noted that in the short history of multimodal transport in the Czech Republic, conditions had not been right for the development of this system, which was now applied all over the world. However, due to pressure from its trading partners, the Czech Republic had been forced to containerize, and many lines from the territory of the Czech Republic to sea ports were now in operation. The main problems hindering multimodal transport operations continued to be poor infrastructure and border-crossing operations and regulations. In his opinion, it was important to solve some of these problems, and to that end efforts would have to be made in respect of coordination of border-crossing procedures, liberalization of initial and terminal road haulage, government support in the provision of terminal infrastructure and operations and the development of multimodal transport operators. Such efforts were currently being made within the framework of a programme established by the Ministry of Transport.

15. The representative of the **Russian Federation** said that UNCTAD and its Standing Committee on Developing Services Sectors had an important role to play in establishing sustainable and equitable cooperation in the field of maritime transport, excluding all forms of discrimination and economic sanctions. The UNCTAD secretariat had prepared high-quality documentation for the Committee's session, but in that connection he suggested that, in its future activities, the secretariat should make recommendations on the improvement of maritime transport taking into account the needs of countries in transition. The recent developments in the shipping policies of his country were closely linked with the profound changes in the economic environment, for example privatization, conversion of State enterprises into shareholding companies and free pricing, which were directed towards the creation of a competitive environment. A licensing system had been introduced in the maritime sector and for related activities, and work was being carried out on a new maritime code, on adherence to the Paris Memorandum on Ports, and on signing maritime agreements with the other Republics of the former Soviet Union. He considered that, with the creation of the World Trade Organization, UNCTAD and its Standing Committee on Developing Services Sectors should take an innovative approach to the problems of world maritime transport and develop effective cooperation with other international organizations.

16. The representative of **France**, speaking on behalf of the **European Union**, said that maritime transport played an important role in world transport. It carried a substantial part of international trade, and at the same time contributed to economic development. The European Union had welcomed the adoption of the Cartagena Commitment in 1992, which permitted UNCTAD to address concrete issues of maritime transport with a view to the promotion of market-oriented policies. The advantages of open markets were now more accepted as allowing efficient and competitive maritime transport services. The European Union was convinced that economic development was ill-served by protectionist maritime policies, since they distorted markets and increased costs.

17. The third session of the Standing Committee was taking place at an important time in the life of UNCTAD. For example, with regard to its work on liberalization, consideration had to be given to the work of the World Trade Organization. The Committee also had to consider the future of UNCTAD in the context of the work of UNCTAD IX. He emphasized that UNCTAD remained an unequalled forum for negotiations between developed and developing countries, and within the United Nations it was one of the bodies with competence in maritime matters.

18. The work of UNCTAD in maritime transport would succeed if a number of conditions were met, namely universal participation by as many parties as possible, particularly developing countries, the setting of realistic goals and the completion of programmes before embarking on new initiatives. He suggested that, in this connection, the programmes on training and human resources development must be encouraged so as to meet the needs of developing countries.

19. The representative of the **European Community**, referring to document TD/B/CN.4/48, said that, with regard to the impact of progressive liberalization on the development of shipping services, he had serious doubts that the Committee could embark on the harmonization of liberalization policies, or establish a regulatory mechanism for liberalization and privatization. He pointed out that each country found itself in a situation where it had to take measures suited to its particular circumstances. He also pointed out that there was a risk of interfering with the GATS negotiations at the WTO, where the approach taken was one of negotiating commitments of individual countries rather than trying to determine a harmonized approach to liberalization. In his view, a harmonized approach should be avoided both as a matter of principle and on practical grounds.

20. With regard to changes in national practices covering shipper/ocean-carrier relations and specifically the suggestion to formulate and implement consumer policies with regard to shipping services, he said that, as long as there existed effective competition, he saw no reason why government intervention would be necessary to ensure high-quality, low-price shipping services. Furthermore, in the view of the European Community, a redefinition of the role of shippers' councils in developing countries should not be the task of governmental or intergovernmental bodies, since it was precisely that approach which had led to the current unsatisfactory situation in some of the developing countries. The redefinition should be left to professional organizations, although during the discussions in the Committee the possible role to be played by UNCTAD could be considered.

21. With regard to ship financing, the report of the secretariat confirmed the view of the European Community that it was the commercial soundness of a project that counted rather than whether a company was from a developed or a developing country. On the issue of ports and port services, he noted that useful work had been carried out, and the Community was prepared to look in detail at the initiatives which the UNCTAD secretariat was suggesting.

22. Concerning multimodal transport (TD/B/CN.4/46), with regard to the recommendations made concerning the impact of multimodal transport systems and tariffs on trading opportunities in the context of liberalization and privatization, the European Community would give close consideration to any views that might be expressed by representatives of the industry before considering requests arising from the deliberations of the Committee. As regards developments in containerization and related transport technology, specifically the impact of MT systems and tariffs on trading opportunities in the context of liberalization and privatization, he agreed on the usefulness of continuing to monitor developments. However, he doubted the need for the proposed seminar on the basis of the mandate given to the Committee. Referring to chapter 2 of document TD/B/CN.4/46 on future work on multimodal transport, he appreciated the effort made in undertaking a wide-ranging survey of issues, but considered that the programme was too ambitious and that the need for it had not been demonstrated in relation to the mandate given to the Committee. He also recalled that, in adopting its programme of work, the Committee had not wished to approve the activities which were being proposed, and in particular he cast particular doubt on some of the "general policy issues" on the list, although some of them would appear to be useful. Specifically, the European Community believed that there was no particular interest in global harmonization of multimodal transport legislation. As regards the development of telematics and software tools, he believed that, without the application of such technologies, shipping companies and multimodal operators of developing countries would be at a competitive disadvantage, and he therefore welcomed the suggestion to monitor and to distribute information on technological developments in the industry in developing countries, in close collaboration with other international organizations.

23. On maritime and transport legislation, he said that he would like to see UNCTAD concentrate its activities on monitoring legal problems encountered by developing countries in the field of shipping. Document TD/B/CN.4/48 envisaged the undertaking of substantive work relating to legal aspects of ship leasing in developing countries in order to prepare model legislation as guidelines for developing countries and promote awareness on the operation and functioning of ship leasing. Concerning the first issue, namely model legislation, only experts in the area of ship leasing could give proper opinions and, in any case, such work, if needed, would be within the competence of international organizations dealing with legal work. On the other hand, the promotion of awareness on the operation and functioning of ship leasing was appropriate.

24. Finally, with regard to strengthening technical cooperation and human resource development (TD/B/CN.4/47), he noted that this type of activity was potentially very helpful to developing countries, and the Community took a generally positive view of the work of the UNCTAD secretariat in this area. The Community continued to attach importance to technical cooperation, which

had also been endorsed by UNCTAD VIII. He underlined that such technical cooperation was meant to support and assist developing countries in identifying their weaknesses and capabilities in the services sector and making it more competitive.

25. The spokesman for the **African Group** (Ghana) acknowledged the important role played by UNCTAD in the development of the maritime transport sector. He noted that the World Trade Organization provided a framework for opening world markets, while UNCTAD provided a framework for the orderly development of economies and the transport sector. The principles established in WTO, for example national treatment, required studies and guidance. He suggested that competition rules should be looked at in order to assist operators in developing countries. He thanked UNCTAD for developing and installing the Advance Cargo Information System (ACIS) in a number of developing countries, especially in Africa. He regarded ACIS as an instrument for providing an on-line system capable of generating relevant statistics for decision-making. He noted that RailTracker and the Harbour Master module of PortTracker had started to have an impact in his country, since they were producing useful data for the managements of the railway and ports authorities. While liberalization might promote efficiency, it must be carried out in a manner that would not lead to the marginalization of economic operators in the developing countries. Training was therefore a critical requirement. He called attention to the undue generalization of statistics (for example in sub-Saharan Africa) and to the fact that decisions taken by multilateral organizations based on these aggregated statistics tended to obscure the needs of individual countries. It was therefore necessary to pay due attention to the differences that existed among developing countries. Finally, he referred to proposals being made by developed countries to do away with shippers' councils in developing countries. In this connection he noted that developing countries required special arrangements to support competition, and further review of this question was therefore required.

26. The representative of the **International Federation of Freight Forwarders Associations** (FIATA) stressed that freight forwarders acted as carriers accepting overall responsibility for the transport chain and, by issuing a single transport document, for instance the FIATA Multimodal Transport Bill of Lading, backed up by a liability insurance cover, were becoming MTOs. He supported UNCTAD's view that privatization of State-owned transport enterprises would increase their efficiency. He stressed that any inland price-fixing cartel operated by maritime carriers would eliminate free competition in multimodal transport to the detriment of shippers and would be harmful to multimodal transport providers, especially in developing countries. FIATA viewed the formation of joint ventures between freight forwarders from developing and developed countries as a useful tool to overcome structural weaknesses. However, joint ventures should also promote training as a means of increasing freight forwarders' professional status in developing countries, if necessary. Regarding the creation of national trade and transport facilitation committees, FIATA felt that such a consultation mechanism could contribute to the removal of obstacles and promote multimodal transport. However, it should not impede the flexibility of freight forwarders and transport operators. He felt that the establishment of voluntary minimum standards for MTOs would constitute an inflexible frame and would not prevent fraudulent actions. FIATA was of the opinion that it would be necessary to harmonize the introduction of multimodal transport legislation in the

different parts of the world on a contractual basis within the freight forwarding industry itself. He suggested that harmonization of multimodal transport legislation at the global level could be undertaken by UNCTAD with the assistance of FIATA. Regarding container standards, he felt that the freight-forwarding industry was interested in as few internationally accepted dimensions as possible. To reduce the negative effects of transport on the environment, he offered FIATA's cooperation in the development of appropriate strategies. Finally, he noted that FIATA did not consider quality assurance as the main thrust for improved competitiveness of multimodal transport providers, but suggested that training should play a major role in the improvement of the professional status of transport providers.

27. The representative of **Mexico** noted the importance of multimodal transport in international goods trade because it represented an important part of final transaction costs. Although Mexico had ratified the Multimodal Transport Convention in 1982, by 1989 it had felt it necessary to develop a more competitive market and to enact national regulations on multimodal transport. Through these regulations, users had the freedom to use either a multimodal or a segmented transport contract in international trade, to choose any carrier on the basis of operational conditions and tariffs, and to use temporarily imported containers in domestic trade. As a result, several new transport operators had registered as MTOs. To improve operations through the use of technology and the streamlining of Customs documentation, coordination had been organized between the public and private sectors. He felt that training of human resources was crucial in developing an efficient multimodal transport sector and therefore suggested that UNCTAD should continue its programme for developing human resources. Finally, he indicated that Mexico wanted to rejoin the TRAINMAR network in the near future.

28. The representative of **Australia** said that the work programme of the secretariat should be manageable and attainable. With regard to multimodal transport and other issues discussions should emphasize the interests of shippers as well as the interests of suppliers of shipping services, and restrictions on multimodal transport operators should be avoided.

29. The representative of **Colombia**, speaking on behalf of the **Andean Group**, said that the elimination of cargo reservation in the member States of the Andean Group since 1993 had been of great significance for maritime transport services and the shipping industry of the subregion. As a result of the lifting of cargo reservation, the competitive edge of the shipowners in the region had been severely affected, and it was to be regretted that the liberalization measures that had taken place in the region had not been reciprocated by other countries that required bilateral agreements in order to allow access to cargo. The Andean Group, in consultation with the Andean Association of Shipowners, had therefore considered it necessary to establish community criteria in order to secure effective commercial reciprocity, without affecting fair competition, and thus to rationalize the services and to allow economic recovery of the merchant fleets in the subregion. Other community norms intended to improve the competitiveness of the merchant marines in the subregion were also under consideration. The principal mechanisms being considered were the establishment of an Andean ship registry, the preparation of legislation to facilitate ship leasing, and the establishment of rules on competition to avoid unfair commercial practices.

30. UNCTAD should continue to treat maritime transport issues. She strongly believed that the experience accumulated by UNCTAD was of great value for the establishment and dissemination of principles aimed at rationalizing competition in this important field of services. She emphasized the role of UNCTAD in the field of human resource development and stressed its importance in the field of shipping, ports and maritime legislation. She praised the legal assistance provided by UNCTAD and the support given to the Andean Group in order to increase the competitiveness of their national merchant fleets. She especially referred to the establishment of the Andean ship registry and the legal measures to facilitate ship leasing. In all these subjects and in the field of multimodal transport legislation, the UNCTAD secretariat had the necessary legal expertise. Concerning multimodal transport, she informed the Committee that the Andean Group had recently enacted community legislation applicable to all contracting States. She insisted that training should be among institutional priorities. Technical assistance was important for the improvement of transport services, particularly with regard to the introduction of mechanisms for improving competitiveness such as multimodal transport. Countries should support UNCTAD in seeking funds for technical assistance.

31. The representative of the **Central American Integration System** (SICA) expressed the appreciation of countries of Central America both to UNCTAD and to donors for the technical assistance provided, notably through the TRAINMAR and LEGISMAR programmes. Both programmes had benefited trade by facilitating adjustment to recent changes in the maritime field. He stressed that projects could never lead to complete adjustment within a fixed time-span; it was up to recipient countries to respond positively to the assistance provided, which was a gradual process, and he hoped that ways could be found by UNCTAD and the international community to provide follow-up for the projects.

32. Concerning the conclusion of the LEGISMAR project, which consisted in updating and harmonizing the maritime legislation of the Central American countries, he said that the Draft Maritime Treaty for Central America was being studied by the Central American International Court of Justice to enable a final draft to be submitted to the meeting of Presidents. The Draft Treaty contained a chapter on multimodal transport. It was important that the region continue to receive assistance in the field of maritime legislation.

33. The representative of the **International Labour Organization** (ILO) outlined the work of his Organization in the field of training and the development of human resources in the ports field. This work was carried out in close collaboration with UNCTAD, as shown by the two regional meetings in Latin America and the most recent one in October 1994 in Asia. More specifically, ILO was near to completing the PDP series of courses (Port Development Programme), with the first 30 courses amounting to more than 500 hours of teaching for training supervisors of container terminals. These courses, which had been developed thanks to funds provided by the Government of the Netherlands, had been tested in Kenya and in the United Republic of Tanzania. An agreement with the Government of India to implement them in 11 ports from 1996 using the same source of financing had already been reached. Finally, work on the impact of technological changes on ports would be reviewed at the next International Maritime Conference, which was convened every 10 years and which would take place in November 1995 to review the implementation of the four ILO conventions in this field.

34. The representative of **Tunisia** said that transport policies should be designed to promote reliable transport, and liberalization should give priority to the observance of quality standards. Procedures and legislation had to be harmonized and adapted to international standards. With regard to privatization, there should be properly organized programmes involving all sectors of shipping.

35. The representative of **Lithuania** said that this was the first time that the Lithuanian delegation had participated in a session of the Standing Committee, and he found the documents and discussion very useful and instructive from the point of view of the transport situation in Lithuania. From the re-establishment of its independence in 1990, the country had pursued a policy of liberalization and integration of its economy into the European and world markets. In view of its geographic situation, its main goal in the sphere of transport was to serve as a bridge between the East and the West of Europe, and the development of multimodal transport corridors was therefore one of the main priorities.

36. Two of the nine priority transport corridors declared at the Crete Conference in 1994 passed through Lithuanian territory, and the East-West corridor passing through the port of Klaipeda was especially important. The port of Klaipeda was the fifth port in the Baltic in terms of volume of cargo handled (15-16 million tons a year), and it had regular ferry links with many European ports. The further development of its container and ro-ro handling facilities and the reconstruction of the passenger terminal, as well as the development of adjacent transport infrastructure in the transport corridor, were the main priorities at present, and the international financial institutions were assisting in these developments.

37. In order to facilitate the establishment of national and joint-venture transport operators, the country's transport legislation was in the process of being harmonized with that of the European Union. All road freight transport companies had already been privatized, and the commercial entities in the port of Klaipeda would be privatized in the near future. This was therefore in contradiction with the statement made in documents TD/B/CN.4/48 and UNCTAD/SDD/SHIP/4, according to which the port of Klaipeda and the shipping company would not be privatized. His delegation would study the documents of the Standing Committee attentively and intended to participate actively in the future work of the Standing Committee.

Chapter II

FOSTERING COMPETITIVE MULTIMODAL TRANSPORT SERVICES

(Agenda item 3)

38. The **Officer-in-charge of the Services Development Division**, introducing the documentation on agenda item 3, referred to chapter I of the document entitled "Fostering competitive multimodal transport services" (TD/B/CN.4/46) and indicated that the three items of the work programme of the Committee relating to multimodal transport, containerization, logistics and technological developments which the secretariat had been requested to prepare before UNCTAD IX would be completed in time.

39. With regard to the three background documents on "Multimodal transport and trading opportunities" (UNCTAD/SDD/MT/5), "Containerization and standards" (UNCTAD/SDD/MT/2), and "Mega multimodal transport operators and mega carriers" (UNCTAD/SDD/MT/4), the first report showed that multimodal transport and logistics could have an impact on trading opportunities by providing an efficient transport system serving a country's international trade, as well as a means to increase the domestic activity of the national transport sector. The second report showed that there was no global alternative to the present International Organization for Standardization (ISO) standard ISO 668 on container dimensions, and that the apparent decline in the introduction of oversized containers might solve the problem. The third report stressed that, while the overall effect of mega carriers on world trade might be beneficial, their impact on other transport operators would be significant and might relegate many smaller carriers to the role of feeder operators or subcontractors for the mega carriers.

40. He then referred to the background document "Draft Multimodal Transport Handbook" (UNCTAD/SDD/MT/8 and UNCTAD/SDD/MT/Misc.1), prepared in connection with the second item on the Committee's work programme, and asked the Standing Committee for its views on the draft, so that the handbook could be completed in as useful a form as possible. Turning to the background document "Facing the challenge of integrated transport services" (UNCTAD/SDD/MT/7), he said that the document attempted to address some of the trends regarding technological and operational developments in modern multimodal transport and that it suggested that the experience of national trade and transport facilitation committees (NTTFCs) be presented at a global forum with a view to enabling countries to avoid repeating mistakes made by others, thereby leapfrogging onto a higher level of development. He also reminded delegates that there was no legally binding international legal regime that dealt with multimodal transport and that incompatible national multimodal transport legislation was only making matters worse.

41. He stressed that there were other aspects which required the attention of the Standing Committee, since the multimodal transport industry continued to develop rapidly. These aspects, dealt with in chapter II of document TD/B/CN.4/46, were the effects of liberalization of services and increased competitiveness, the evolution of multimodal transport operations into physical distribution, multimodal logistics and total transport service providers, as well as issues such as the environment, safety and the quality of services. Their promotion would have an impact on the fostering of

competitive multimodal transport services in deep-sea shipping, as well as in other modes of transport such as feeder services and coastal or short-sea trades. Suggestions for further work to be considered by the Committee were presented in three main areas: (i) general policy issues; (ii) technical issues; and (iii) operational issues.

42. He concluded by suggesting that the Standing Committee might recommend to the Trade and Development Board that the services sector be given due attention at UNCTAD IX as a key component in fostering the development of trade.

43. The representative of **Poland** presented his country's experience in the development of multimodal transport and the service sector. Rules for the establishment of companies had been liberalized, commercialization and privatization in the services sector had advanced rapidly, joint ventures with foreign partners had been facilitated, and free access for international cargo existed on the basis of reciprocity. However, the expansion of multimodal transport had been slow, as there had been a certain amount of inertia and only limited capital was available for the development of essential infrastructure and equipment. Existing and new national freight-forwarding companies, many of which were private, were developing as MTOs. To accelerate further the development of this sector, the Government had ratified the "European Agreement on Important International Combined Transport Lines and Related Installations" (AGTC) to integrate the Polish transport system with that of other European countries. Secondly, the Government, in conjunction with the national ports and railways, had established an MTO (POLCOMBI), made up of both private and public firms, to develop multimodal transport from and to Polish ports. Block trains for containers had been set up between the container terminal in the port of Gdynia and inland centres, and the infrastructure required for containerization and multimodal transport was being partially financed by the Government. Multimodal transport should be promoted further, and in that connection he noted that, in Poland's experience, the deficiencies in the international legal framework had not been a barrier to its development. Finally, he felt that the development of minimum standards for MTOs would be useful.

44. The spokesman for the **African Group** (Ghana) expressed his concern that developments in containerization and multimodal transport were widening the gap between developed and developing countries, which could lead to the domination of the transport chain by developed-country operators. Inadequate infrastructure, limited transport equipment and demurrage charges due to long stays of empty containers had restricted the growth of multimodal transport in Africa. Mega carriers had reduced freight rates to and from feeder ports, and while that was beneficial to shippers, it had made it extremely difficult for local transport operators to compete commercially. In addition to their special equipment requirements, oversized and overweight containers could cause great damage to roads and were thus restricted to the port area. The promotion of environmentally friendly transport services, the use of new INCOTERMS, the creation of national trade and transport facilitation committees and the setting of minimum standards would assist in the orderly development of multimodal transport. Liberalization might not stimulate competition or increase the choice available to traders, but could lead to the marginalization of national operators and generate considerable unemployment. Liberalization should be used to assist in developing domestic transport

providers through such activities as the establishment of joint ventures and alliances. Multimodal transport markets should be open on a reciprocal basis, thus enabling developing countries to compete globally. He believed that antitrust regulations might be required to control the activities of large transport providers. Finally, he noted that seminars and workshops on multimodal transport laws and regulations were required for the successful implementation of multimodal transport, and that seminars on environmentally sound methods of production of containers should be supported.

45. The representative of the **Russian Federation** agreed with the conclusion reached in document TD/B/CN.4/46 that the use of the multimodal transport concept would not only contribute to the efficiency of the transport system but also serve as a means to help safeguard the environment through the use of less environmentally intrusive modes of transport such as inland waterways, railways and combined and coastal shipping. Regarding the document on "Containerization and standards" (UNCTAD/SDD/MT/2), he felt that at present there was no acceptable alternative to the existing international Series I container standards. He suggested that the future activity of the secretariat in the field of multimodal transport should involve practical assistance to Governments, operators and transport users, with particular emphasis on the maritime leg of the multimodal transport chain.

46. With regard to the situation in the Russian Federation, multimodal transport was extremely important for the development of the Russian transport system. The Ministry of Transport of the Russian Federation was implementing a number of programmes in that connection, including the programme "Terminal" covering the creation of a legislative basis for multimodal transport, the modernization of infrastructure and specialized rolling stock, the introduction of informatics and EDI on the basis of EDIFACT, and the integration of the Russian transport system with the transport systems of other States. The Government, as well as many private financial institutions and transport users in Russia, had expressed interest in the programme and were participating in its financing along the Black Sea-Moscow-Baltics corridor. UNCTAD's technical assistance in the field of multimodal transport had an important role to play, in particular through the organization of workshops, consultancies and the provision of technical expertise. The UNCTAD secretariat had in fact agreed to hold a workshop in October 1995 in which other former Soviet republics were invited to participate.

47. The representative of **India** said that a series of economic reforms, including deregulation of the economy and stimulation of foreign investment, had been introduced in his country. Regarding multimodal transport, the Multimodal Transportation of Goods Act had been enacted in 1993 and provided a legal regime to govern, on a uniform basis, MTOs' liabilities and responsibilities for services covered under a single document. Containerized traffic was growing at a rapid pace, and private parties were allowed to set up inland clearance depots (ICDs) and container freight stations (CFSs). His Government was also interested in linking the various public and private commercial parties through the use of EDI and possibly replacing multimodal transport documents by EDI messages. To stimulate competition among MTOs and ensure quality services, foreign companies were also allowed to register as MTOs, as long as they complied with the regulations in force and obtained insurance cover. He welcomed the UNCTAD/ESCAP initiatives for developing multimodal transport systems in the Asian region and for providing the latest

technologies and information on modern transport systems. He also supported the idea of recommending that the question of "fostering competitive multimodal transport services" be part of UNCTAD IX. Regarding technical cooperation and human resource development, UNCTAD training activities should be aimed at upgrading the skills of port personnel, as well as those of MTOs and ICD and CFS operators, with a view to developing an efficient and coherent multimodal transport system. He offered Indian technical cooperation to assist UNCTAD in its work in less developed countries. Finally, he suggested that UNCTAD could prescribe some acceptable guidelines regarding the reduction of accidents in the movements of goods, the maintenance of ecological balance, and the conservation of fuel.

Chapter III

STRENGTHENING TECHNICAL COOPERATION AND HUMAN RESOURCE DEVELOPMENT

(Agenda item 4)

48. The **Officer-in-charge of the Services Development Division**, introducing the item, said that document TD/B/CN.4/47 described secretariat activities organized as a complement to its regular activities. Technical cooperation was generally funded from extrabudgetary sources, but there had in recent years been a move away from UNDP as the principal donor to new donors such as the European Commission and certain European Governments. Bringing about this change had required an energetic reappraisal of its activities by the secretariat. He drew attention in particular to one of the major technical cooperation programmes, the Advance Cargo Information System (ACIS), of which a demonstration would be provided for Committee members.

49. Human resource development involved a variety of training activities which were made available to countries on request, as was the TRAINMAR programme which strengthened local training capacity. There had been a General Meeting of the TRAINMAR network the previous week.

50. Finally, he expressed appreciation to the donors that had made so many activities possible and invited those beneficiaries attending the Committee's session to give some insights into how they had been able to benefit and ensure sustainability of the results.

51. The spokesman for the **African Group** (Ghana) expressed appreciation to UNCTAD and to donors for the training programmes provided. However, he also expressed concern that most of the training currently offered in his country was directed towards the public sector, and he therefore feared that private sector needs were not being met and that this would be detrimental to further development. He asked that UNCTAD give particular attention to training for the private sector and to ways of attracting capable staff into the private sector.

Chapter IV

REVIEW OF THE WORK PROGRAMME OF THE STANDING COMMITTEE, WITH SPECIAL EMPHASIS ON THE PREPARATIONS FOR UNCTAD IX

(Agenda item 5)

52. The **Officer-in-charge of the Services Development Division**, introducing the item, said that, on the question of shipping (TD/B/CN.4/48, chap. I), the secretariat had prepared two background documents, "Progressive liberalization and the development of shipping services in developing countries - country experiences" (UNCTAD/SDD/SHIP/5) and "Maritime policy reforms in the Newly Independent States of the former Soviet Union" (UNCTAD/SDD/SHIP/4). The preliminary conclusions of these reports indicated that there was insufficient experience to clearly establish a causal relationship between policy reform and specific market and fleet developments.

53. In addition, he noted the changes that had occurred in national practices covering shipper/ocean-carrier relations. To date, the process of globalization of economic activities and progressive liberalization in the shipping and transport industry had benefited large shippers, while small and medium-sized shippers, particularly from developing countries, had often been unable to benefit effectively due to a lack of expertise and information. The document entitled "Changes in national practices covering shipper/ocean-carrier relations" (UNCTAD/SDD/SHIP/2) contained a number of recommendations for dealing with this restructuring process. Finally, in the area of ship finance, he drew the Committee's attention to the report "Ship finance for developing countries" (UNCTAD/SDD/SHIP/3), which concluded that the difficulty faced by the shipping industry in attracting capital was the result of the inability of many shipping investments to achieve financial yields that were competitive with more profitable projects. Regarding the United Nations Convention on a Code of Conduct for Liner Conferences, under its article 52, Review Conferences were to be convened every five years, and the next Conference was due in 1996 or 1997. In this connection, States entitled to attend the Review Conference would be contacted in order to obtain their views.

54. The work on ports was being carried out in line with the new competitive environment that prevailed in many routes and was guided by the Intergovernmental Group of Experts on Ports, which had met in 1993 in Geneva. The studies and reports that had been prepared recognized the role of ports as logistical centres and the need to have a proactive attitude towards traffic changes, and they promoted the idea of port marketing.

55. The spokesman for the **African Group** (Ghana) said that his Group attached great importance to the work carried out in the area of maritime and transport legislation, dealt with in document TD/B/CN.4/48, chapter IV. He congratulated the Joint UNCTAD/IMO Intergovernmental Group of Experts for the remarkable progress achieved during its seventh session, held in Geneva from 5 to 9 December 1994 to review the 1952 International Convention on the Arrest of Sea-Going Ships. He noted that the Joint Group had succeeded in preparing a set of draft articles for a Convention on Arrest of Ships and had agreed to continue examination of the subject at its next session, to be held at IMO headquarters in London in October 1995. The subject of arrest of ships was of crucial importance to the shipping community.

56. Regarding the work carried out on general average, he said that the three studies produced by the secretariat on the subject identified the shortcomings of the system and made proposals with a view to identifying a commercial solution to the problems encountered. The current move towards reform of general average by the London insurance market and others had begun after commencement of work within UNCTAD on the subject, and he hoped that reform in the area in question would be pursued with a view to facilitating the operation of the system for the benefit of international trade. He requested the UNCTAD secretariat to keep developments under review and to inform the Committee accordingly.

57. Concerning the preliminary review prepared by the secretariat on "Legal aspects of ship leasing in developing countries" (UNCTAD/SDD/LEG/4), he regretted that the document had not yet been translated into all the United Nations official languages. The subject of ship leasing was of the utmost importance to developing countries, since it provided a shipping company with the entire possession and use of a vessel without capital outlay. The permanent shortage of capital in most developing countries made ship leasing an attractive alternative to acquiring new ships or replacing ageing fleets. In view of its practical importance, he recommended that the secretariat continue its research on the subject in order to prepare model legislation to serve as guidelines for developing countries that wished to promote ship leasing and to promote awareness as to the operation and functioning of ship leasing and its potential advantages for developing countries.

58. Finally, he pointed out that the process of liberalization and privatization of maritime transport services currently under way in many African countries would require as a matter of priority the adoption of an adequate legal framework and regulatory mechanism to promote competitiveness and minimize any negative consequences involved in the process.

59. The representative of the **Russian Federation** said that in general he agreed with the conclusions of the secretariat's report "Progressive liberalization and the development of shipping services in developing countries - country experiences" (UNCTAD/SDD/SHIP/5). However, he suggested that the effect of liberalization on maritime transport should be evaluated taking into account the impact of many different and important factors of State policy such as taxation, free ship registration, reservation of State cargo, use of foreign crews, etc., as well as the economic situation of the country and of its foreign trade.

60. With regard to the report on "Maritime policy reforms in the NIS of the former Soviet Union" (UNCTAD/SDD/SHIP/4), he noted that the report on the whole gave a realistic picture of the process of reform in the countries in question, as well as of the goals of the maritime policy of these countries, namely enabling national fleets to participate effectively in international shipping on the basis of the principle of free access to transport markets, equality and fair competition. Liberalization had to be considered as part of economic restructuring and as a framework for limiting the participation of the State in shipping and for the establishment of conditions for the functioning of economically viable enterprises.

61. At present the maritime industry of the countries concerned was facing difficulties, and it was too early to evaluate the impact of the process of reform, which was still unfinished.

62. With regard to the Review of Maritime Transport, he underlined the importance of the work of the secretariat as a basis for solving the problems of imbalance in the maritime transport market. He suggested that the Review should not only reflect the problems of countries in transition, but also give an analysis and recommendations for their resolution. It was also desirable to publish the next issue of the Review in the first half of 1996.

63. The representative of **China**, referring to the subject of liberalization, concurred with paragraph 11 of the secretariat's report contained in document TD/B/CN.4/48, namely that regulatory mechanisms must be established to back up liberalization in order to avoid the pitfalls of competition. Such mechanisms could include competition rules and incentives for enterprises, and he suggested that the secretariat should pursue this subject further. He also concurred with paragraph 70 of the secretariat's report and suggested that there should be further analysis on how to improve management and commercialization. With regard to the Review of Maritime Transport, he noted that it provided useful information and recommended that the secretariat should continue with its publication.

64. He noted the beneficial work accomplished in the field of ports and port services and agreed with the arrangement to convene a second session of the Intergovernmental Group of Experts on Ports in early 1996 to assess progress and to review any new or outstanding issues in port efficiency, modernization and development.

65. On the work programme on maritime and transport legislation, he endorsed and praised the work achieved by the Joint UNCTAD/IMO Intergovernmental Group of Experts on the review of the 1952 International Convention on Arrest of Sea-going Ships. Concerning the work carried out on reform of general average and the newly adopted York-Antwerp Rules 1994, he requested the secretariat to monitor developments closely and to keep the Committee duly informed. As to the preliminary review prepared by the secretariat on "Legal aspects of ship leasing in developing countries" (UNCTAD/SDD/LEG/4), he endorsed the recommendations of paragraph 64 and requested that the secretariat undertake further work in this area to prepare model legislation as guidelines for developing countries wishing to promote ship leasing and to promote awareness as to the operation and functioning of ship leasing and its potential advantages for developing countries.

Action by the Standing Committee

66. Under agenda item 5 and at the end of its deliberations, the Standing Committee reviewed its work since UNCTAD VIII and reported to the Trade and Development Board as set out in the following paragraphs (paras. 67-72).

1. Report on work accomplished so far 1/

A. Transparency

67. The following activities were undertaken:

In the field of shipping: publication of the Review of Maritime Transport 1992, 1993 and 1994 issues;

In the field of ports: publication of five regular newsletters (Nos. 9-13 in E/F/S) which monitored technological and structural changes in ports and disseminated information on port-related activities within the secretariat; contributions made to the annual Review of Maritime Transport; responded to multiple requests for information and studies on ports;

In the field of multimodal transport: publication of three issues of the MT Newsletter (5, 6 and 7) to disseminate technological and institutional aspects; contributions also made to the annual Review of Maritime Transport; participation in various technical meetings on multimodal transport organized by the private sector; ad hoc contributions to professional and academic forums;

In the field of maritime legislation: ad hoc contributions made through academic and professional institutions on disseminating legal issues and/or instruments in the maritime sector which have been adopted (e.g. charter parties, marine insurance, general average, etc.); contributions to the annual Review of Maritime Transport;

In the field of training and human resource development: publication by the TRAINMAR programme of newsletters (4), the annual course catalogue, and a report on the implementation of the TRAINMAR Action Plan.

B. Fostering competitive services

68. The following activities were undertaken:

In the field of shipping: research and preparation of reports on the impact of progressive liberalization on the development of shipping services in developing countries and maritime policy reforms in the Newly Independent States of the former Soviet Union (NIS), changes in national practices covering shipper/ocean carrier relations, prevailing ship financing arrangements and consideration of their adequacy in meeting the requirements of developing countries, and cooperation between developing countries in the field of shipping, ports and multimodal transport;

In the field of ports: completion of research studies on the development of human resources, on legal and regulatory aspects, on strategic port planning and on sustainable development in ports; preparation of overall documentation for, and servicing of, the Intergovernmental Group of Experts on

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1/ Outputs for all activities described in section 1 are listed in the annex of TD/B/CN.4/48.

Ports which reviewed work and recommended continuation on port policy issues, organization and management. Completion of studies for second session of the Intergovernmental Group of Experts on Ports (initially scheduled for first part of 1995) on strategic port pricing, comparative analysis of deregulation, commercialization and privatization. Publication of three monographs (computerized container terminal management, EDI and marketing tools);

In the field of multimodal transport and technological development: preparation of documentation for and servicing of Standing Committee sessions (containerization and standards, mega multimodal transport operators and mega carriers, multimodal transport and trading opportunities, facing the challenge of integrated transport services, multimodal transport handbook for officials and practitioners (draft), fostering competitive multimodal transport services); preparation of documentation for, and servicing of, Group of Experts on Multimodal Transport (review of work programme, proposals for future work; participation in elaboration of the UNCTAD/ICC Rules for Multimodal Transport Documents; participation in meetings of intergovernmental and non-governmental organizations;

In the field of maritime legislation: preparation of documentation for and servicing of: the UN/IMO Conference of Plenipotentiaries, which resulted in the adoption of the International Convention on Maritime Liens and Mortgages, 1993; the Joint UNCTAD/IMO Intergovernmental Group of Experts (seventh session), which is considering the review of the 1952 Convention on Arrest of Ships (draft articles for a Convention on Arrest of Ships); preparation of documentation on general average (identification of problems and proposals for simplification by the industry) for the Standing Committee (second and third sessions); preparation of a preliminary report on legal aspects of ship leasing in developing countries for the Standing Committee (third session); advice to developing countries on implementation of international shipping instruments.

C. Technical cooperation and human resource development

69. The following activities were undertaken:

In the field of shipping: assistance to improve commercial shipping management: 9 workshops (STRATSHIP), 10 JOBMAR placements and 2 feasibility studies. In addition, work on seaborne trade statistics was revived in cooperation with UNSTAT and private sector information management companies;

In the field of ports: assistance provided to Somali ports after the civil strife (under UNOSOM); two Container Terminal Management seminars and three Port Marketing seminars, all funded by the Government of Belgium, were delivered; three courses on Container Terminal Planning, three courses on Equipment Management and a Strategic Planning seminar were delivered at the World Maritime University; two ad hoc seminars were organized (Challenge of Third Generation Ports and Port Liability and Insurance);

In the field of multimodal transport: regular deliveries of various multimodal transport workshops financed from the regular budget (two per year); as well as deliveries of similar workshops from extrabudgetary resources (4); development of Workshop for Multimodal Operators; contribution to the elaboration of new workshop material (Strategic Workshop on Short-Sea

Shipping); technical assistance (Pakistan, Mozambique, Colombia, Central Asian Republics, India, Viet Nam, Ethiopia and Democratic People's Republic of Korea).

In the field of maritime legislation: updating and harmonizing of maritime legislation at both national and subregional levels, e.g. draft Maritime Treaty for five Central American States (LEGISMAR/IMO); preparation of guidelines and recommendations on maritime legislation (West and Central African countries); assistance to Andean Group on Community ship registry; contribution to a draft Community act on multimodal transport legislation; in the area of training: subregional seminars on marine cargo insurance (Central America) and on the Hamburg Rules and multimodal transport (West Africa), on charter parties and ship financing (South America), national seminar on general average (Nigeria), assistance in setting up an association of port lawyers (LEGIPORT), lecturing at the World Maritime University (WMU) on charter parties and international trade and transport.

TRAINMAR programme: expansion of the TRAINMAR network (35 to 50 centres); development of techniques and pedagogical support material; preparation and delivery of courses for general use (7); quality control regarding the pedagogical and technical content of courses (annual catalogue); dissemination of information and coordination of interregional activities (annual regional training meetings in Latin America, Caribbean, Asia, North Africa, West and Central Africa, southern Africa, Europe); tri-annual interregional meeting for network; advice to centres and contacts in the maritime sector and training needs identification (missions to the field on training needs analysis);

ACIS programme: software development pursued on the basic and optional tracking modules for ports (PortTracker), railways (RailTracker) and lakes (LakeTracker); technical specifications prepared for the Backbone Information System; PortTracker installed in 2 African ports, RailTracker installed on 13 African networks and LakeTracker on 3 lakes; funding obtained (European Union) for launching of multi-country multi-modular project to install ACIS in Eastern Africa, in association with COMESA - first phase;

Advisory services: provision of services, upon request, to developing countries and countries in transition, and in cooperation with other international organizations (World Bank and ILO) both to Governments and the private sector.

2. Remaining work for the period up to the next Conference

70. The following activities are envisaged during the period leading up to UNCTAD IX:

In the field of shipping: production of the Review of Maritime Transport; continuation of monitoring of the impact of progressive liberalization and privatization and of changes in national practices in shipper/carrier relations; continuation of activities and policies aimed at enhancing cooperation in the area of shipping; preparation of training material for strategic planning for bulk shipping companies and continuation of STRATSHIP and JOBMAR programmes;

In the field of ports: Ports Newsletters (2), studies on financial aspects of port management; and potentialities for increased regional cooperation; preparation and servicing of the second session of the Intergovernmental Group of Experts on Ports dealing with organization and management; seminars on container terminal management and port marketing; training programme on port pricing; development of a certificate course in port management (in collaboration with the TRAINMAR programme); ongoing backstopping of port management rehabilitation project for Somalia; contribution to annual Review of Maritime Transport;

In the field of multimodal transport: MT Newsletter (1); contribution to annual Review of Maritime Transport; final draft of Multimodal Transport Handbook; development of course material for a diploma course in logistics (in collaboration with the TRAINMAR programme); deliveries of workshops; technical assistance in operational, institutional and facilitation aspects of multimodal transport in Central Asian Republics, Latin America, Asia;

In the field of maritime legislation: preparation for and servicing of the Joint UNCTAD/IMO Intergovernmental Group on reviewing the 1952 Convention on Arrest of Sea-going Ships (eighth session), monitoring current developments and reforms of the general average system by insurance industry, completion of the work on legal aspects of ship leasing in developing countries, finalization of draft maritime codes (Côte d'Ivoire and Ethiopia), preparation and servicing of subregional UNCTAD/ESCAP colloquium on charter parties and ship financing (South-East Asia); contribution to annual Review of Maritime Transport;

TRAINMAR programme: extension of support to new centres and networks (developing countries and countries in transition); preparation of training materials for, and organization of, a seminar on port human resources (support for Asia and francophone countries); training of trainers for the seminar on logistics in short-sea shipping; and development of a certificate course in port management (in collaboration with the Ports Section) and of a diploma course in logistics (in collaboration with the Multimodal Transport Section);

ACIS programme: pursuit of development of basic versions and options of port, railway and lake-tracking modules and of Backbone Information System; pursuit ACIS installation in Africa (COMESA and West/Central Africa), extension to Central Asia (Turkmenistan, Uzbekistan), Asia (Bangladesh, Viet Nam) and Latin America (Bolivia, Chile, Cuba); preparation of project document and prospecting for funds in response to requests from potential beneficiaries.

3. Suggestions for possible future activities that might be considered by the Trade and Development Board for its deliberations of subjects to be considered at UNCTAD IX

71. On the basis of the work carried out so far, and without prejudicing the decisions to be taken by UNCTAD IX, the following items might warrant consideration for future work by UNCTAD without duplicating work in other global intergovernmental organizations:

(a) Technical cooperation and human resource development;

(b) Shipping aimed at fostering progressive liberalization and facilitating the provision of free and fair competitive shipping services;

(c) Ports;

(d) Multimodal transport involving a sea-leg; and

(e) Maritime and transport legislation aimed at fostering international trade and transport of developing counties.

72. In respect of the issue "maritime and transport legislation", the Chairman noted two different positions:

(a) Some countries would like future work in the area of maritime and transport legislation to be limited to monitoring legal problems in maritime legislation affecting developing countries and offering assistance upon request;

(b) Other countries considered that the above issue was important for the development process of developing countries and countries in transition, as this enabled these countries to participate actively in the decision-making process of the global scenario of maritime and transport legislation on an equitable basis.

Closing statements

73. The representative of **Brazil** said that the role of UNCTAD in the development of shipping in developing countries and countries in transition was of the utmost importance. The documentation prepared for the Standing Committee provided up-to-date reference material for policy formulation, and UNCTAD meetings provided a universal forum for exchanges of experience. However, UNCTAD was not the only international body dealing with shipping, and IMO and WTO also had important roles to play. The specificities of the work programme of each organization must be taken into account in order to avoid duplication.

74. UNCTAD had an important role to play in capacity-building, and in that connection his country was restudying the question of its eventual adhesion to the TRAINMAR programmes. On the question of multimodal transport, too ambitious an agenda would not facilitate an in-depth analysis by the Standing Committee. For its part, the Handbook on Multimodal Transport was useful and should be published. Generally speaking, the multimodal documentation prepared by UNCTAD was extremely helpful and had, for example, been used as a basis for discussion in MERCOSUR negotiations.

75. UNCTAD must continue to play an important role in the analysis of the liberalization of the maritime sector to help developing countries and countries in transition to participate in decision-making on an equitable basis. Liberalization, deregulation and privatization reflected a world trend, but the progressive reduction of protection for maritime activities should be counterbalanced by the creation of operational conditions that enabled shipping companies to become competitive. Companies must be given time to adapt. Brazil favoured the gradual liberalization of maritime

transport within the framework of an overall economic policy that encouraged free and fair competition and promoted the beneficial aspects of liberalization.

76. The spokesman for the **African Group** (Ghana) emphasized the importance that developing countries attached to UNCTAD. Although these countries had not developed as rapidly as might have been hoped, the situation would have been much worse without the efforts of UNCTAD. He therefore appealed to the developing countries' partners to show understanding and to maintain a forum that was of importance for development. Liberalization was fashionable, but it was important to liberalize and deregulate where possible and where necessary. It was now taboo to talk of protectionism, but protection from mega operators and from marginalization would continue to be necessary for some time to come, and UNCTAD should help in that connection. It was therefore important that UNCTAD should be strengthened after UNCTAD IX.

77. The representative of **France**, speaking on behalf of the **European Union**, said that the European Union was genuinely committed to development, while at the same time attaching importance to the effective use of resources. Development was a long-term and difficult task that required great patience on everyone's part, and the European Union, for its part, would continue to demonstrate patience, perseverance and tolerance and would remain an attentive partner of the developing countries. Finally, with regard to UNCTAD IX, the participants at UNCTAD VIII had worked well, and it was only to be hoped that the participants at UNCTAD IX would work just as well.

78. The spokesman for the **Latin American and Caribbean Group** (Argentina) said that the documentation prepared for the Standing Committee's third session had been very useful, and in fact UNCTAD was the only forum where such material could be obtained. The technical assistance being provided by UNCTAD to Latin American countries was also proving very useful.

79. The representative of **China** said that China was a maritime country and therefore attached great importance to maritime questions. There were many international organizations involved in such questions, and UNCTAD was one of them. UNCTAD had done a great deal of work on maritime issues in the past, and it would continue to play an important role in the future, particularly with regard to helping developing countries participate in maritime transport.

Chapter V

ORGANIZATIONAL MATTERS

A. Opening of the session

80. The third session of the Standing Committee on Developing Services Sectors (Shipping) was opened on 6 June 1995 by Mr. M. Meynet (France).

B. Election of officers

(Agenda item 1)

81. In accordance with the rules of procedure of the main Committees of the Trade and Development Board and the decision taken by the Board at the first part of its thirty-ninth session, the Standing Committee on Developing Services Sectors (Shipping), at its 10th (opening) meeting on 6 June 1995, elected the officers to serve on the Bureau of the third session as follows:

Chairman:	Mr. Sergio García Torres	(Colombia)
Vice-Chairmen:	Mr. Paolo Octavio de Paiva Almeida	(Brazil)
	Mr. Krzysztof Dabrowski	(Poland)
	Mr. Andrew Togba Davies	(Liberia)
	Mr. Douglas Pelkola	(Canada)
	Mr. Stefan Schimming	(Germany)
Rapporteur:	Mr. A. Wahab Arsad	(Malaysia)

C. Adoption of the agenda and organization of work

(Agenda item 2)

82. Also at its opening meeting, the Standing Committee adopted the provisional agenda circulated in TD/B/CN.4/45 and endorsed the suggestions therein for the organization of work. The agenda for the third session therefore read as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Fostering competitive multinational transport services
4. Strengthening technical cooperation and human resource development
5. Review of the work programme of the Standing Committee, with special emphasis on the preparations for UNCTAD IX
6. Other business
7. Adoption of the report of the Standing Committee (Shipping) to the Trade and Development Board.

D. Adoption of the report of the Standing Committee (Shipping) to the Trade and Development Board

(Agenda item 7)

83. At its 15th (closing) plenary meeting, on 9 June 1995, the Standing Committee adopted its draft report (TD/B/CN.4/L.15 and Add.1), subject to any amendments made by delegations to country statements, and authorized the Rapporteur to finalize the text in the light of the proceedings of the closing plenary.

Annex I

ATTENDANCE 1/

1. The following States members of UNCTAD, members of the Standing Committee, were represented at the session:

Algeria
Argentina
Australia
Benin
Bolivia
Brazil
Bulgaria
Cameroon
Canada
China
Colombia
Congo
Côte d'Ivoire
Czech Republic
Democratic People's Republic of Korea
Ecuador
Egypt
El Salvador
Finland
France
Gabon
Germany
Ghana
Greece
Honduras
India
Indonesia
Iran (Islamic Republic of)
Iraq
Israel
Jamaica
Japan
Liberia
Libyan Arab Jamahiriya
Madagascar
Malaysia
Mexico
Mongolia
Morocco
Netherlands
Norway
Pakistan
Paraguay
Peru
Poland
Republic of Korea
Romania
Russian Federation
Spain
Sudan
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Venezuela

2. The following other States members of UNCTAD, not members of the Standing Committee, were represented as observers at the session:

Barbados
Lithuania
Nicaragua
Portugal
South Africa

1/ For the list of participants, see TD/B/CN.4/INF.8.

3. The following specialized and related agency was represented at the session:

International Labour Organization

The World Trade Organization was also represented at the session.

4. The following intergovernmental organizations were represented at the session:

European Community
League of Arab States
Organisation for Economic Cooperation and Development
Organization of African Unity
Central American Integration System

5. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
World Federation of United Nations Associations

Special Category

Council of European and Japanese National Shipowners
International Federation of Freight Forwarders Associations

Annex II

CHECK-LIST OF DOCUMENTS

Symbol	Title	Agenda item
	Sessional documentation	
TD/B/CN.4/45	Provisional agenda, annotations to the provisional agenda and suggestions for the organization of the work of the Committee: Note by the UNCTAD secretariat	2
TD/B/CN.4/46	Competitive services in multimodal transport: Report by the UNCTAD secretariat	3
TD/B/CN.4/47	Technical cooperation and human resource development in shipping, ports and multimodal transport: Report by the UNCTAD secretariat	4
TD/B/CN.4/48	Review of the work programme of the Standing Committee with special emphasis on the preparations for UNCTAD IX: Report by the UNCTAD secretariat	5
TD/B/CN.4/Misc.10	Review of activities: Note by the secretariat	
TD/B/CN.4/L.15 and Add.1	Draft report of the Standing Committee on its third session	7
	Background documentation	
TD/B/CN.4/37	Review of Maritime Transport, 1993	5
TD/B/CN.4/GE.2/3	Report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on its seventh session	5
UNCTAD/SDD/MT/2	Containerization and standards	3
UNCTAD/SDD/MT/4	Mega multimodal transport operators and mega carriers	3
UNCTAD/SDD/MT/5	Multimodal transport and trading opportunities	3
UNCTAD/SDD/MT/7	Facing the challenge of integrated transport services: Report by the UNCTAD secretariat	3
UNCTAD/SDD/MT/8	Multimodal Transport Handbook for Officials and Practitioners: Note by the UNCTAD secretariat	3

Symbol	Title	Agenda item
	Background documentation (continued)	
UNCTAD/SDD/MT/Misc.1	Multimodal Transport Handbook for Officials and Practitioners	3
UNCTAD/SDD/SHIP/2	Changes in national practices covering shipper/ocean carriers relations - Changes in shipper representation: Note by the UNCTAD secretariat	5
UNCTAD/SDD/SHIP/3	Ship finance for developing countries: Report by the UNCTAD secretariat	5
UNCTAD/SDD/SHIP/4	Maritime policy reforms in the New Independent States of the former Soviet Union - Experiences and proposals: Report by the UNCTAD secretariat	5
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